(c) the number of applications/proposals received from the State Government of Madhya Pradesh for grant of status of Scheduled Bank to Co-operative Banks pending with the Central Government; and

(d) if so, by when the proposals are likely to be cleared?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) and (b) Only Madhya Pradesh State Co-operative Bank Limited, in Madhya Pradesh has been granted the status of Scheduled Bank. In terms of Section 42(6) of the RBI Act, 1934, banks are included in Second Schedule of the RBI Act subject to the following conditions:—

(i) The banks should have a paid up capital and reserves of an aggregate value of not less than five lakh rupees. However, as per Government of India Notification only such of the Primary (Urban) co-operative Banks which are licensed and whose demand and time liabilities are not less than Rs. 250 crores qualify to be treated as financial institutions for the purpose of sub-clause (iii) of clause (a) of sub-section (6) of Section 42, of the RBI Act, 1934;

(ii) RBI is satisfied that Bank's affairs are not being conducted in a manner detrimental to the interest of the depositors; and

(iii) The bank is a State Co-operative Bank or a company as defined in Section 3 of the Companies Act, 1956 (1 of 1956), or an institution notified by the Central Government in this behalf or a corporation or a company incorporated by or under any law in force in any place outside India.

In addition to the statutory provisions, RBI has prescribed certain, internal guidelines to ensure that only financially sound banks are included in the Second Schedule of the RBI Act, 1934.

(c) and (d) No application/proposal received from the State Government of Madhya Pradesh to grant the status of Scheduled Banks to any Rural Co-operative bank is pending with NABARD/Reserve Bank of India.

Merger of private banks with nationalised banks

1212. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether merger of private banks with Nationalised Banks is one of the options; and

(b) if so, the details of the private banks under watch for nationalization/ merger?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) Yes, Sir.

(b) At present, there is no such proposal with the Government.

Procedure for appointment of chiefs of Public Sector Banks

1213. SHRI LALIT SURI: Will the Minister of FINANCE be pleased to state:

(a) whether there is a proposal under Government's consideration to streamline the procedure for the appointment of the heads of public sector banks to ensure a longer tenure for them so as to improve efficiency and stability in their working; and

(b) if so, the details thereof and by when a final decision in the matter is likely to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) Yes, Sir.

(b) The Report of the sub-committee constituted by the Appointments Board to prepare Policy Guidelines to examine all aspects of the issue and propose a long term policy for deeper selection of meritorious candidate who can be placed in key position of major Banks for a sufficiently long period has been endorsed by the appointments Board and sub-committee has been requested to prepare the road map and modalities for its operationalisation in consultation with CMD's of select Banks.

Off loading of equity in oil companies

1214. SHRI LALIT SURI: Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to off load their equity in Government oil companies;

(b) if so, the extent thereof in each of the companies;

(c) to what extent small investors would be offered shares in each company; and